

The Cost of Doing Nothing about Graduate Retention and Completion: Opportunities Missed

Graduate / Postgraduate education is changing around the world to meet the demands of older, working, part time student populations at a distance from their universities. This article takes a research based look at the issue of higher education working with SaaS companies to increase retention and completion at the graduate level.

Background – The Change in Student Demographics

Data from the U.S. Department of Education’s National Center for Education Statistics show the vast majority of undergraduates are now classified as nontraditional, whether because they have dependents, are a single caregiver, delayed postsecondary enrollment, do not have a traditional high school diploma, are employed full-time, attend school part-time, or are independent of their parents for financial aid reasons (Nevill & Chen, 2007).

What these metrics do not discuss are the equally important considerations of working full or part time in addition to pursuing academics, living at a distance from campus, having little or no option for the traditional socialization around which the traditional academic life was built. These changes are not just demographic shifts; they harbor fundamental change within the academe and its role in our world. On the one hand these students are much more likely to immediately apply what they are learning, on the other they are much less likely to have the chance to absorb the external traits which are the hallmarks of a postgraduate education, such as use of formal language, level of critical thinking skills, etc.

The more of the aforementioned characteristics describe the post graduate candidate the higher the likelihood of their use of an online program to advance their goals. NCSE (2015) reports that online education as a choice increases significantly with the non-traditional characteristics. As more students find online offerings can give them the flexibility they look for, statistics indicate that among the 2011-2012 cohort of undergraduates, students with dependents are more likely to enroll in for-profit institutions. This author wonders if part of that has to do with the outbound sales tactics employed by for profits.

Regardless of reason, it is clear that all institutions engaged in postgraduate education, either Masters or Doctoral level will be forced to innovate to meet the demands of this new educational environment. This article focuses on return on investment for outsourcing what was traditionally the socialization inherent in academic life to SaaS firms, but first let’s consider the cost of doing nothing.

What is the cost of doing nothing?

Current statistics indicate:

- Growth in post baccalaureate enrollment will put figures to a projected two million women and one and a half million men by 2024. Any University interested in increasing profitability only has to multiply this rate of increase (36% in the last decade), NCSE (May, 2015). **IT IS EASY TO SEE THE PROFITABILITY OF SCALABLE ONLINE PROGRAMS – PROVIDED THEY ALSO ARE COUPLED WITH HIGHER THAN AVERAGE COMPLETION.**
- Completion varies widely according to the type of school and the percentages of “traditional” students. The Ivy League first tier level schools can boast upwards past 85%, 75% or more of those in the first five years (CITE). This contrasts with most state run institutions (research or traditional) who generally see a 50% completion in the first five years, varying according to program with Business and the hard sciences seeing the higher percentages (CITE). Finally, the online proprietary institution struggles to maintain accreditation and subsequently continues to raise the standards of output, making it harder for their students to complete. One personal source quoted her experience at completion rates averaging 35% (CITE). Regardless of the percentages quoted, there is a clear correlation between successful graduation and having the students closer to home – under the regular socialization of the university they attend. **AS STUDENTS GO FURTHER FROM CAMPUS, COMPLETION DROPS. HOW CAN WE SAY ONLINE EDUCATION IS SUCCESSFUL IF A HUGE MAJORITY DO NOT COMPLETE THEIR DEGREES?**
- These first two, when taken together demonstrate why **COMPLETION HAS NOT KEPT PACE WITH ENROLLMENT.**
- Onboarding a new student costs an online program more than keeping them because it is the upfront marketing, training, customer service which require personnel. Once the student becomes used to the university system and how the software work their need for attention lessons to include primarily just their professors and an occasional librarian or editorial staff member. Therefore **A HIGH CHURN RATE IN ONLINE EDUCATION DECREASES PROFITABILITY AS IT ALSO POTENTIALLY IMPACTS ACCREDITATION, QUALITY ASSURANCE, UNIVERSITY STATUS, RANK, STANDING WITH THE GOVERNMENT AND PRESTIGE.**
- The cost of doing nothing has ramifications on the federal government as well. Why outside the purview of this article, much is being written on the costs of federal loans, many of which are not repaid when the graduate student does not graduate.
- **THERE IS ALSO AN OBVIOUS HIGH COST TO THE INDIVIDUAL WHO DOES NOT COMPLETE, THEIR FAMILY, AND THEIR COMMUNITY IN LOSS OF BOTH LEADERSHIP POTENTIAL AND FINANCIAL INCREASE.** US Census statistics are clear that graduate degree holder earn significantly more than their counterparts who did not graduate high school, graduated but did not pursue college, had some college or earned either an Associates or Bachelor’s Degree as can be seen in Figure 1, below (Day & Newburger, 2002).

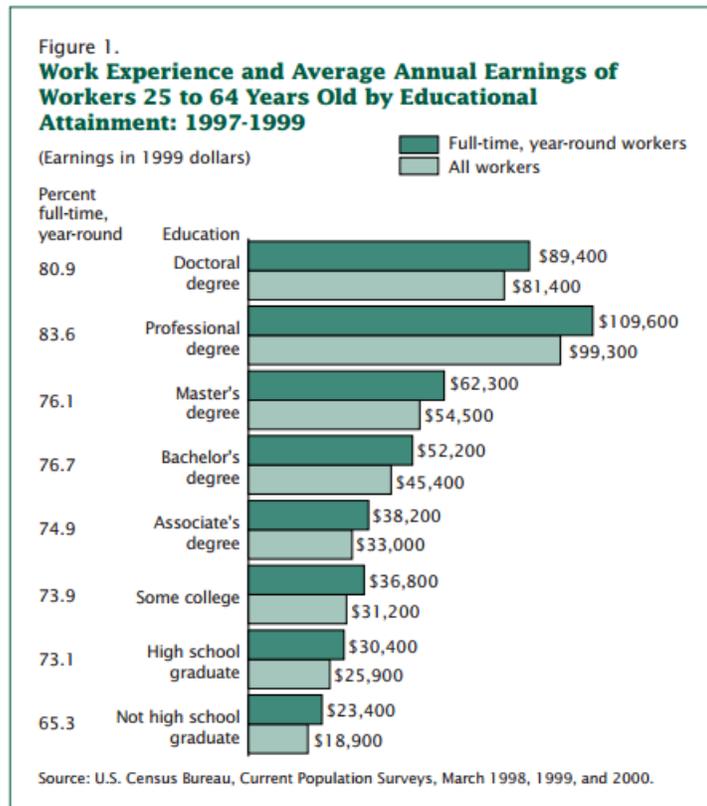


Figure 1: Correlation between educational attainment and income levels

The cost of doing nothing to ensure graduate level retention and completion in higher education has a negative impact on: 1) university program profitability, 2) the long term success of online education as a platform for graduate education, 3) completion not keeping pace with enrollment (especially in online programs), 4) accreditation and quality assurance, 5) individual, community and federal financial and tax levels. The next part in this three part series considers the potential roles for technology to be used to increase the socialization of students upon which the previous, on campus face to face, educational environment relies.

[See PART 2: The ROI for Technology Based Enhanced Learning Solutions in Graduate Retention and Completion](#)

References

- Day, J. C., & Newburger, E. C. (2002). The big payoff: Educational attainment and synthetic estimates of work-life earnings. *Current Population Reports*. Retrieved October 7, 2015, from <https://www.census.gov/prod/2002pubs/p23->
- NCSE. (May 2015). Postbaccalaureate Enrollment Retrieved Oct 7, 2015, from http://nces.ed.gov/programs/coe/indicator_chb.asp
- Nevill, S. C., & Chen, X. (2007). The path through graduate school: A longitudinal examination 10 years after Bachelor's Degree. In I. o. E. Sciences (Ed.), *Postsecondary Education Descriptive Analysis Report*. Washington DC, USA: National Center for Education Statistics, US Department of Education.